



## **H.Res. 552 - Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China**

### **Floor Situation**

H.Res. 552 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Jim Marshall (D-GA) on July 17, 2007. The bill was referred to the House Financial Services Committee but was not considered in the Committee.

H.Res. 552 is expected to be considered on the Floor of the House of Representatives on September 4, 2007.

### **Summary**

H.Res. 552 calls on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China.

Additionally it expresses a sense of Congress that the Government of the People's Republic of China should immediately implement all of its World Trade Organization commitments to date in financial services and calls on them to implement their commitments made during the Strategic Economic Dialogue initiated by the Secretary of the Treasury.

### **Background**

The United States maintains open and nondiscriminatory standards for trade in financial services, while China continues to protect large segments of its financial services markets from foreign trade. The current lack of well-functioning financial markets in China has the effect of misallocating capital and distorting investment in ways that subsidize capital intensive industries in China's manufacturing sector and distort trade with the United States and other trading partners as a consequence.

This has led to the United States trade deficit with China growing to \$233,000,000,000, and this trade deficit has nearly tripled since China joined the World Trade Organization in 2001. China's World Trade Organization commitments fail to achieve an open and nondiscriminatory environment for foreign financial services firms seeking to trade with China.

China is also one of the few remaining major emerging market countries that maintains limitations on foreign ownership of financial services firms.

This legislation calls on the Government of the Peoples Republic of China to honor previous commitments that have been established in order to make trading with China fair and profitable for both the Chinese Government and its trading partners.

**Cost**

At the time of publication the Congressional Budget Office (CBO) had not yet scored H.Res. 552.

**Staff Contact**

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